



Conventional Mortgage Product Parameters

NOTE: HFA Preferred and HFA Preferred Risk Sharing are products created by Fannie Mae for exclusive use by State Housing Finance Agencies. HFA Preferred products are variances to Fannie Mae's **HomeReady™** product. Refer to the **HomeReady™** sections of the **Selling Guide (see section B5-6)** when reviewing Fannie Mae's eligibility and underwriting requirements. Specific variances to **HomeReady™** are summarized on the table below.

	HFA Preferred	HFA Preferred Risk Sharing
Income & Purchase Price Limits	Follow IFA Program Parameters	Follow IFA Program Parameters
LTV/CLTV		
Fannie Mae	97%/105%	97%/105%
Freddie Mac	95% (Follow Freddie Mac Selling Guide - Home Possible)	95% (Follow Freddie Mac Selling Guide - Home Possible)
Automated Underwriting Options		
Fannie Mae	Run through DU as "HFA Preferred" DU recommendation of "Approved Eligible" Required Use Special Feature Code 741	Run through DU as "HFA Preferred Risk Sharing" DU recommendation of "Approved Eligible" Required Use Special Feature Code 820
Freddie Mac	Run through LP as "HomePossible" Must receive Risk Class of "Accept"	Run through LP as "HomePossible" Must receive Risk Class of "Accept"
Manual Underwriting Options		
Fannie Mae	Permitted per FNMA <i>Selling Guide</i> and Eligibility Matrix	Permitted per FNMA <i>Selling Guide</i> and Eligibility Matrix
Freddie Mac	Not Permitted	Not Permitted
Mortgage Insurance Coverage	18% for LTV > 95% and <= 97% 16% for LTV > 90% and <= 95% 12% for LTV > 85% and <= 90% 6% for LTV > 80% and <= 85%	None
Homebuyer Education Requirements	Required prior to note date for at least one borrower on all transactions per <i>Selling Guide</i> in accordance with IFA homebuyer education requirements. IFA requires the use of the FinallyHome course available on the IFA website. Borrower may use promotion code Iowa2015 to receive \$15 discount off the \$50 course registration fee.	Required prior to note date for at least one borrower on all transactions per <i>Selling Guide</i> in accordance with IFA homebuyer education requirements. IFA requires the use of the FinallyHome course available on the IFA website. Borrower may use promotion code Iowa2015 to receive \$15 discount off the \$50 course registration fee.
Ability to Repay/Points & Fees	Exempt from ATR; 5% cap on points and fees	Exempt from ATR; 5% cap on points and fees
Adverse Market Delivery Charge Loan Level Price Adjustments (LLPAs)	None None	None None